



WEEKLY MARKET REPORT

Week Ending 20th January, 2023
AWEX Northern Micron Indices Comparison



AWEX INDEX	This Week S29/22	This Week M29/22	Last Sale S28/22	Sydney Change	Last Year Sydney	Sydney Yearly Change
17	2292	2314	2237	+55	2495	-203
18	1978	1995	1952	+26	2110	-132
19	1685	1686	1681	+4	1712	-27
20	1519	1529	1488n	+31	1427	+92
21	1444n	1446	-		1359n	+85
26	555n	604	578	-23	-	-
28	340	350	330	+10	415n	-75
MC	890	872	881n	+9	928n	-38

CAUTIOUSLY DEARER, BUT SIGNS ARE PROMISING

Another solid but unspectacular week for the wool market as a similar pattern emerged to the opening sale of the year. The national volume did fall by 3,100 bales to 47,300 which may have assisted the market but competition on the whole was solid from a wide range of buyers across all types. Melbourne needed a 3rd day to sell their offering but the market couldn't hold the momentum of the previous days as <17s and coarser than 19 micron gave back 5 to 15 cents. Overall, the AWEX EMI added another 8 cents to its value to 1,341 and 5 cents in US\$ terms to 926 as the FRX floated in the low to mid 69 cent range all week. Sellers warmed to the continued support from exporters as the passed-in rate fell to 5.7%. By the numbers, it was the finer microns (<18 and 20s) that were most sought after, rising by 25 to 55 cents with 18.5 to 19.5 just in seller's favour. The better style, low VM (<2%) skirtings lifted by 40 cents while all others were up to 20 cents to the good. Cardings had a good sale as LKS were up 10 to 40 cents depending on VM and style while CRT were 20 cents higher as the MCI added 9 cents to 890. Crossbreds had a mixed sale as finer microns (26s) lost 25 cents with coarser lots up to 10 cents dearer.

Although growers might be a little disappointed with the pace of the rises, small steps are what traders and buyers want. The big rises and falls of 50 to 100 cents as we have seen in short spaces of time in the past are no good for anyone as traders get burnt and growers, who are looking for the better prices are disappointed as the highs come and go too quickly. A rising market of 10 to 20 cents over a week is far more sustainable than a 50 to 100 cent rise in a week and then the inevitable correction. This strong demand scenario since December is encouraging for long term price stability. Global demand looks to be on the increase as users and processors return to near normal operations from both trading of raw materials to retail shopfronts that enjoyed a good Xmas trading period.

Speaking of good trading conditions, Chinese retailers will be hoping for a spending boom as Chinese New Year commences on Sunday. This is a time where hundreds of millions of Chinese travel far and wide for the Lunar New Year celebrations for the Year of the Rabbit (no, not the Rabbitohs!!). This weeklong holiday shouldn't have too much of an impact on the wool market as about 45,000 bales will be on offer on Tuesday/Wednesday with Thursday a public holiday for Australia Day. We sell on Tuesday with 1865 bales on offer.

Southern Aurora Forward Prices

Micron	Date	Low
21	Jan 23	1400

Main Buyers (this week)

1	Techwool Trading	7430	2	Pelican Australia	5900	3	Endeavour Wool	3720
4	Fox & Lillie	3291	5	United Wool	3000	6	Modiano Australia	2697

Eastern Market Indicators (AUD cents/kg clean)
1341 cents ↑ 8 cents compared with 13/01/2023

Northern Market Indicators (AUD cents/kg clean)
1415 cents ↑ 11 cents compared with 13/01/2023

AUD/USD Currency Exchange
0.6905 ↓ 0.0006 compared with 13/01/2023